

**OUSEL FALLS & SOUTH FORK ROADS  
AND INTERSECTION IMPROVEMENTS**

**PROPOSED RURAL IMPROVEMENT  
AND MAINTENANCE DISTRICT (RID)  
GALLATIN COUNTY, MT**

**INFORMATION FOR PROPERTY OWNERS**

**Introduction**

The Gallatin and Madison County Commissions are undertaking cooperative efforts to create Rural Improvement Districts (RIDs) in the Big Sky area for completion of needed road improvements at the Highway 64 & Ousel Falls intersection and approximately 5.2 miles of Ousel Falls and South Fork Roads. Morrison-Maierle, Inc. (MMI) is assisting the Counties with the evaluation and creation of the Rural Improvement Districts (RID) for the improvements.

The proposed RIDs would also include creation of maintenance districts to provide for routine and long-term maintenance of the road improvements and equitably assess the costs for the annual and long-term maintenance needs. The initial construction costs of the improvements and future maintenance cost would be jointly funded through two separate RIDs concurrently created in both Gallatin and Madison Counties.

This informational packet presents our findings and summarizes the RID creation process, the proposed RID boundary, property owner information, and preliminary cost information. The proposed improvements and other information are further detailed and described herein.

**Rural Improvement and Maintenance District (RID) Creation Process and Schedule**

The process under which Counties may create a Rural Improvement and Maintenance District (RID) is governed by Montana Code Annotated (MCA) Title 7, Chapter 12, Part 21. Gallatin County has also adopted additional guidelines for their RID creation process which includes the following goals.

1. That all property owners within the proposed RID receive accurate information regarding the RID creation process and the cost associated with the proposed RID.

2. That all property owners within the proposed RID be contacted regarding the proposed District, informed with the referenced information, and be provided an opportunity to express their opinion and support or opposition for the RID.
3. Typically the County will not proceed with the statutory creation of an RID if less than 50% of the property owners within the proposed RID support creation of the RID. However, in this case waivers of right to protest the creation of an RID for road improvements have been provided for approximately 93% of the assessable properties within the proposed district.

If the Gallatin and Madison County Commissions elect to jointly proceed with the RID creation process, the County Commissions will each consider a Resolution of Intent to Create an RID at a Commission meeting which will likely be held during March or April of 2009, or at another approved time set by the County Commissions. **If the Commissions pass Resolutions of Intent to Create an RID, all property owners within the proposed districts will be sent a notice, by the respective County, that the RID creation is being considered by the County Commission. The notice will include details about the proposed RID, and identify what opportunities owners have to further comment on, or protest against the creation of the RID.**

If the RIDs are created, the project design and bid documents for the improvements would subsequently be prepared and the construction contract(s) bid. Following the contract bid opening, the bond sales would be conducted by each County, and the construction would subsequently proceed. The majority of the road improvement work could be completed during the 2009 construction season. Completion of the Schedule 1 Intersection would likely not be fully completed until the summer of 2010. The currently anticipated RID and project schedule is attached hereto as Exhibit A.

### **Property Owner Information and Support**

To insure that all property owners within the proposed RID receive accurate information regarding the proposed RID and are provided an opportunity to express their opinion and indicate their support or opposition for the proposed RID, a newsletter is being sent to the owners of record for all assessable parcels in Gallatin and Madison Counties. This informational packet is also being posted on the Gallatin County internet home page for public review, and an Informational Community Meeting is being scheduled and noticed in the aforementioned Newsletter. Additionally, the County Commissions meeting to consider Resolutions of Intent

to Create an RID will be publicized and public input will be received and considered at Commission Meetings.

### **Description of the Proposed Improvements**

The RID improvements would be separated into three construction schedules as shown on the attached Exhibit B. The **Schedule 1 - Intersection Improvements** would generally consist of providing protected left turn lanes and right turn (deceleration) lanes at the Highway 64/Ousel Falls Road intersection, and would including subgrade and road widening; asphalt paving, asphalt overlay and seal coat improvements; storm drainage improvements, signing, and paint striping. The **Schedule 2 - Ousel Falls Road Reconstruction** would include reconstruction of approximately the first 8,150 feet (~1.5 miles) of Ousel Falls Road beginning at the Highway 64 intersection. The **Schedule 3 - South Fork Road Reconstruction** would include reconstruction of approximately 19,120 feet (~3.6 miles) of South Fork Road and Ousel Falls Road beyond the Schedule 2 improvements. The schedules 2 & 3 road reconstruction work will generally consist of pulverizing, milling and/or removing of the existing deteriorated asphalt, reconstruction and widening, as needed, of gravel subgrade, subgrade preparation, bituminous asphalt paving, storm drainage improvements as needed, signing and paint striping.

The proposed improvements and district boundary are shown on the attached Exhibit B - Drawing Number 1 Gallatin County RID Boundary, as well as Detail Sheets - Drawing 1 of 3 and 2 of 3.

### **Maintenance of Proposed Improvements**

Maintenance of the proposed road improvements, which is currently provided through the cooperative efforts and funding of homeowners associations and other private interests, will be subsequently be provided by Gallatin County and will be funded through maintenance assessments established in the RIDs for both Gallatin and Madison Counties. Since Highway 64 is a State Route, maintenance of the proposed intersection improvements will be the responsibility of the Montana Department of Transportation and the cost of the intersection maintenance will not be assessed in the proposed RID.

A Maintenance District will be created at the same time as the RID to fund future maintenance of the road improvements completed in Schedules 2-3. An annual maintenance assessment, which will be assessed in addition to the bond principal and interest payment, will typically be used for

fog or chip seals, crack sealing, spot repairs, future asphalt overlays, weed control, snow plowing, etc., to maintain and extend the useful life of the road improvements.

The first year annual maintenance assessment is estimated to be \$29.00 for Schedule 2 and \$84.00 for Schedule 3 per year per assessable parcel. The annual maintenance assessment is estimated to increase an average of 4% per year to account for inflation in maintenance costs. As such, at the end of 20-year bond repayment period, in the year 2030, the annual maintenance assessment is estimated to be \$63.54 and 184.05 per year per assessable parcel for schedules 2 and 3, respectively.

A list of the current year's maintenance assessments for all existing RIDs in Gallatin County is sent out annually by the County Clerk and Recorder to all property owners within maintenance districts. Caution should be exercised when reviewing the list, as the nature of improvements, relative density of parcels per mile being assessed, and whether snowplowing is included in the maintenance district are all highly variable.

### **Proposed District Map**

A map of the proposed district is shown on the attached Exhibit B - Drawing Number 1 Gallatin County RID Boundary.

The Assessment Areas of the benefitted properties to be assessed for each schedule is shown on Drawing Number 1-4 – Parcel Assessment Map. Detailed property parcel information for the RID District is shown on the attached Detail Sheets - Drawing 1 of 3 and 2 of 3.

### **Public Interest and Convenience**

Since Gallatin and Madison Counties have no plans to undertake the proposed intersection or road improvements at anytime in the foreseeable future, the proposed joint RID funding presents the area property owners with an opportunity to enjoy the benefits of the intersection and road improvements, and long-term maintenance while equitably defraying the costs among the benefitted users. The project is believed to be in the property owners' best interests and convenience for the following reasons:

- A) Owners within the proposed district will benefit from the improved paved County Road access to their properties which will provide an overall increase in traffic safety.
- B) The rehabilitated paved surface will provide a more readily maintainable and overall improved all-weather driving surface.
- C) The joint County cost sharing of the improvements and the annual and long-term maintenance provides for equitable funding of the roadway needs by the benefitted properties located within both Gallatin and Madison Counties.
- D) The District property owners will realize commensurate increased property values.

### **Engineer**

Morrison-Maierle, Inc., of Bozeman, Montana, has been selected by Gallatin County as the RID Engineer and, contingent on the County's creation of an RID, will be the engineering firm responsible for the design and construction observation of this project, as well the annual maintenance program analysis and scheduling.

### **Attorney**

Gallatin County Attorney's office will be the attorney for this project, and will work in conjunction with Bond Counsel, Jackson, Murdo & Grant of Helena, Montana.

### **Tract Sizes and Diversity of Ownership**

There are a total of 1,680 recorded and assessable lots, parcels or tracts within the proposed Gallatin and Madison County Districts, which includes recorded, and transferrable platted lots, parcels and aliquot tracts, including condominium and/or Townhouse units (with a final declaration filed), all of which are referred-to herein as assessable "parcels". The proposed Gallatin County RID includes 1,088 recorded assessable parcels within the proposed district as shown by the official records of the Clerk and Recorder of Gallatin County, Montana. There are approximately an additional 63 recorded parcels or tracts designated as Parks or Open Space within the proposed Gallatin County RID. The Gallatin County Commission has determined that the parks and open spaces would not be assessed since they would not benefit and would thus be excluded from the proposed District. There are no federal lands or other parcels within the proposed district which would be exempt from assessments.

The parcel or tract sizes within the district vary greatly in size from entire sections of land to Condominium parcels. The 1,088 total assessable parcels in the Gallatin County district are owned by 850 individuals or entities, with 795 (73%) of the assessable parcels being under separate ownership wherein the individuals or entities own only a single parcel. Fifty-five (55) individuals or entities own 293 (27%) of the assessable parcels within the proposed district. The following table shows the breakdown of the multiple parcels ownership.

OWNERSHIP SUMMARY TABLE

Number of Parcels Owned	Owners	Number of Parcels	% of Total Parcels
<b>SINGLE PARCEL OWNERS</b>	<b>795</b>	<b>795</b>	<b>73.1%</b>
OWN 2 PARCELS	34	68	6.3%
OWN 3 PARCELS	5	15	1.4%
OWN 4 PARCELS	6	24	2.2%
OWN 5 PARCELS	2	10	0.9%
OWN 6 PARCELS	0	0	0.0%
OWN 8 PARCELS	2	16	1.5%
OWN 9 PARCELS	2	18	1.7%
OWN 11 PARCELS	1	11	1.0%
OWN 13 PARCELS	1	13	1.2%
OWN 29 PARCELS	1	29	2.7%
OWN 89 PARCELS	1	89	8.2%
<b>MULTIPLE PARCELS SUBTOTAL</b>	<b>55</b>	<b>293</b>	<b>26.9%</b>

#### Amendments to the Subdivisions

The projected RID assessments are based on 1,088 total assessable parcels within the proposed district. This number may increase or decrease up until the time the RID is created. This is due to possible lot splits or creation of condominiums, and/or aggregation of lots and condominiums within the district boundaries. If parcels within the RID District are subdivided in the future, Gallatin County may, through subdivision review, require equitable participation ("payback") in the RID cost. Any such payback participation would normally be applied to reduce the bond principal. This would reduce the duration of the Bond repayment period, however, the annual assessment for each parcel would remain unchanged during the reduced payback period.

### **Thickly Populated**

In considering creation of an RID, the County generally assesses to what degree the district is thickly populated. It is estimated that approximately 60% of the parcels or tracts within the proposed district have dwellings or structures. In order to provide additional assurance against default and safeguard for the County's pledging the RID revolving fund to the proposed bond sale, as well as additional protection for the County tax payers, bond proceeds will include a deposit of 5% of the principal amount of the bonds to the County's RID revolving fund and an additional 2% Bond Reserve Fund.

### **Revolving Fund**

Generally the County considers the diversity of ownership and the density of improved tracts in considering the degree of financial risk to the County in creating an RID. There are 1,088 total of the parcels which are under ownership of 850 individuals, with 895 (73%) of the assessable parcels being under separate ownership wherein the individuals or entities own only a single parcel. Fifty-five (55) individuals or entities own 293 (27%) of the assessable parcels within the proposed district as summarized above. The relatively low assessment rate, reasonable density of occupied or improved tracts, and the property values tend to indicate limited risk to other County taxpayers of significant default on payments. The County will pledge its revolving fund to provide security against defaults in assessments. Bond proceeds will include a deposit of 5% of the principal amount of the bonds to the County's RID revolving fund, and another 2% Bond Reserve has been proposed as additional security against default. The proposed bond assessment is approximately 1% of the total 2008 Market Value of the property within the proposed RID as reported in the most recent tax records.

### **Cost Estimate**

The proposed Schedule 1, 2, & 3 improvements are intended to be jointly funded by RIDs created in Gallatin and Madison Counties. The total project cost of all three improvement schedules is estimated to be \$5,840,000. The cost share between the two County RIDs will be based on prorata share of assessable and benefitted properties located within each respective County RID. The total cost includes construction, engineering, legal services, bond counsel and bond issuance costs (including capitalized interest and underwriter's discount) and County RID administrative costs associated with all three proposed improvement schedules.

The Madison County RID Bond amount for the prorata share of the Schedule 1, 2 & 3 costs is estimated to be \$3,450,000. The Gallatin County RID Bond amount for the prorata share of the Schedule 1, 2 & 3 costs is estimated to be \$2,390,000.

Due to the timing of the RID creation and construction, it is anticipated that the first RID tax assessments will not be due until November 30, 2010. Bonds will be sold in 2009 to finance the construction costs incurred. As such, the estimated cost of accrued bond interest which will be due in January 2010 and July 2010, has been capitalized into the initial bond amount.

The project has been divided into three distinct Schedules to allow the benefitted properties assessments to be equitably determined. These include Schedule 1 – Intersection Improvements, Schedule 2 – Ousel Falls Road Reconstruction, and Schedule 3 – South Fork Road Reconstruction. The assessment area for each schedule showing the benefitted, and therefore assessed, property within Gallatin County is shown in the attached Drawing Number 1-4 – Parcel Assessment Map.

## **Bonds**

The Gallatin County RID maximum Bond authority, which will be established in the RID Bond Resolution of Intention to Create the District to be adopted by the County Commission, is anticipated not to exceed \$2,390,000. Tax exempt RID Bonds will be sold by Gallatin County at the same time as Madison County RID Bonds will be sold for the Madison County RID. The maximum term of the bond payback period proposed for this project would be twenty (20) years.

## **Proposed Method of Assessment**

Each assessable parcel within the proposed district will pay an equal assessment for the improvement schedule(s) which benefit the property, without regard to a parcel's total square footage or frontage length or whether the property is currently improved. An assessable parcel shall include platted and transferable lots and aliquot tracts of land and transferable condominium and/or townhouse units on record with a final declaration with the County Clerk and Recorder. There are a combined total of 1,680 assessable parcels in the proposed Gallatin and Madison County RIDs. The proposed Gallatin County RID contains 1,088 assessable parcels. Properties would be assessed for the improvement schedules based on the benefit received from each improvement schedule. As shown in Drawing Number 1-4 – Parcel Assessment Map, parcels will be assessed for either Schedule 1 (only), Schedule 1+2, or schedules 1+2+3, depending on the parcel location and benefit received. There are 1,088 benefitted and assessed parcels



participating in the Gallatin County share of the Schedule 1 improvements. There are 847 benefitted and assessed properties participating in the Gallatin County share of the Schedule 2 improvements. And there are 241 benefitted and assessed properties participating in the Gallatin County share of the Schedule 3 improvements. It should be noted that all 592 assessable parcels in the proposed Madison County RID would benefit from and be assessed for the Schedule 1+2+3 improvement costs.

The Gallatin County estimated bond amount and property assessments for each of the three Schedules is summarized in the following section. The bond sale and final per parcel assessment would be based on actual total project cost, but cannot exceed the \$2,390,000 bond ceiling which would be established in the RID Resolution of Intention to Create.

### **Payment Schedule**

Payments will be made by annual assessments included on each property's annual tax bill from Gallatin County for the anticipated 20-year bond payback period. Each assessable parcel in the district will be assessed an equal prorata share of the costs of the improvements schedule(s) benefiting said property. Each property owner has the option to pay off the full balance of his/her/its assessment at any time, thus reducing or eliminating interest costs. If the property ownership transfers or changes, the annual bond assessment would transfer with the property, unless the outstanding balance is paid in full. The additional annual maintenance assessment will also be charged on each property tax bill. The maintenance assessment is reviewed annually by the County Commission and, as mentioned above, is anticipated to incur inflationary increases over time. As discussed above, any RID "paybacks" which may be secured through future Gallatin County Subdivision review, would normally be applied to the RID bond principal and thereby reduce the duration of the remaining bond repayment period. Again, the annual assessment for each parcel would remain unchanged.

While recent previous bond sales have had interest rates in the range of 4½% - 5½% range, due to current economic uncertainties a 7.0 percent (7%) interest rate is used herein to project future assessments, which includes the statutory ½ percent County fee above the rate on the bonds, pursuant to 7-12-2176 MCA. The County will seek competitive bids for the bonds in order to get the best rate available at the time of the bond sale. The final bond sale amount will include a 5% reserve revolving fund contribution to fund a Reserve Account to cover possible tax payment delinquencies.

The Annual Assessment for the bond retirement and the Annual Maintenance Assessment for each parcel is determined by the sum of the assessment costs for each schedule for which the parcel receives benefit. The bond and maintenance assessment area for each schedule is shown in the Drawings 1-1, 1-2, and 1-3 for the Schedule 1, 2, & 3 improvements, respectively. While the bond assessment remains unchanged over the 20-year retirement period, the annual maintenance assessment is evaluated and established annually by the County Commission, as discussed above. The maintenance assessment is anticipated to increase at 4% per year.

The following are the estimated \$2,390,000 Bond payment terms and resulting assessments for the proposed improvements schedules based on the current 1,088 assessable parcels, a 20-year bond amortization and 7.0% interest rate. The annual maintenance fees are also shown and included.

#### ESTIMATED ASSESSMENT SUMMARY TABLE

	Schedule 1	Schedule 2	Schedule 3	Schedules 1 + 2	Schedules 1, 2 + 3
Improvement Total Cost	\$825,000	\$380,000	\$1,185,000	\$1,205,000	\$2,390,000
Total Parcels Assessed	1088	847	241		
<b>Total Amount Assessed Per Parcel</b>	<b>\$758.27</b>	<b>\$448.464</b>	<b>\$4,917.01</b>	<b>\$1,206.91</b>	<b>\$56,123.93</b>
<b>Annual Bond Assessment (7% @ 20 yrs)</b>	<b>\$71.57</b>	<b>\$42.35</b>	<b>\$464.12</b>	<b>\$113.92</b>	<b>\$578.04</b>
Average annual Principal	\$34.01			\$54.12	\$274.63
Average annual Interest	\$37.56			\$59.80	\$303.41
<b>Annual Maintenance Assessment</b>	<b>\$0.00</b>	<b>\$29.00</b>	<b>\$84.00</b>	<b><u>\$29.00</u></b>	<b><u>\$113.00</u></b>
<b>Total Annual Assessment (20 Yrs)</b>	<b>\$71.57</b>	<b>\$71.35</b>	<b>\$548.12</b>	<b>\$142.92</b>	<b>\$691.04</b>

While all parcels are included in the Schedule 1 – Intersection improvements assessment area, the assessment for Schedules 2 and 3 depend on the parcel location as shown in Drawing Number Number 1-4 – Parcel Assessment Map. The sum of the bond assessment and maintenance assessment is the total Annual Assessment per parcel, as follows:

#### ANNUAL ASSESSMENT BY SCHEDULE (per parcel)

	<u>Bond</u>	<u>Maintenance</u>	<u>Total Annual</u>
<b>Schedule 1 only (241 parcels)</b>	<b>\$71.57 /yr</b>	<b>\$ 0 /yr</b>	<b>\$71.57 /yr</b>
<b>Schedule 1 + 2 (606 parcels)</b>	<b>\$113.92 /yr</b>	<b>\$ 29.00 /yr</b>	<b>\$ 142.92 /yr</b>
<b>Schedule 1+2+3 (241 parcels)</b>	<b>\$578.04 /yr</b>	<b>\$113.00 /yr</b>	<b>\$ 691.04 /yr</b>

As mentioned above, Drawing Number 1-4 – Parcel Assessment Map shows which properties will be assessed for each improvement schedule. Additionally, Exhibit C – Assessment Spreadsheet identifies the assessment for each parcel within the proposed RID.

The following lists the parcels and annual parcel assessments by development.

**Schedule 1 (only):** @ \$71.57 (Bond) + \$ 0 (Maintenance) = **\$71.57 /lot/year total** (241 parcels)

- **West Fork Meadows** – all parcels (and Condominiums), including, but not limited to; Moose Ridge Condos, Blue Grouse Commercial Condos, Pine Ridge Townhomes Condos, Spruce Condos, Graywolf Court Condos, Madison Court Condos, West Fork Plaza Condos, Jefferson Building Condos, Gallatin Building Condos, Aspen Court Condos, and Sky Meadows Condos;
- **Blue Grouse Subdivision** - all parcels (and Condominiums), including, but not limited to; Blue Grouse Hills Condos, and Deer Run Condos.

**Schedule 1+2:** @ \$113.92 (Bond) + \$29.00 (Maintenance) = **\$142.92 /lot/year** (606 parcels)

- All assessable parcels in the proposed Gallatin County RID boundary, *except* those properties list as Schedule 1 only above and those listed in Schedule 1+2+3 below.

**Schedule 1+2+3:** @ \$578.04 (Bond) + \$113.00 (Maintenance) = **\$691.04 /lot/year** (241 parcels)

- **All of Spanish Peaks Resort (Phases 1A, 1B, 1C, 2, 3A, 3B,)** – all parcels (and Condominiums), including, but not limited to; Wildridge Subd Phases 1, 2 & 3, SC Condos, Cabins Condos,
- **Spanish Peaks Estates (Phases 1, 1A, 2, 2A, 3, 4, 5, 6)** – all parcels (and Condominiums), including, but not limited to;
- **COS 2120, COS 2189A, COS 2190, COS 2190 Tract 3 Remainder, Aliquot parcel Section 33,**

As mentioned above, it should be noted that all 592 assessable parcels in the proposed Madison County RID would benefit from and be assessed for the Schedule 1+2+3 improvement costs.

While it is anticipated that bonds will be sold for initiation of construction during the summer of 2009, as discussed above, due to the timing of the RID creation, the first property assessments are anticipated to be due on November 30, 2010.

## **Anticipated Schedule**

If the Gallatin and Madison County Commissions elect to proceed through the RID creation process to jointly fund the proposed improvements, the Commissions would likely consider and act upon Resolutions of Intent to Create the RIDs at a meeting during March or April of 2009. If a Resolution of Intent to Create each proposed RID is passed by each County Commission, property owners within the proposed district boundary will be sent a notice by the County that the RID is being considered by the County Commission. The notice will include details about the RID, and identify what opportunities owners have to comment on, or protest against the creation of the RID.

Following the protest period, a Public Hearing would be during which the County Commissions would take public testimony and act upon a Resolution of RID Creation. If the RIDs are created, owners could expect construction of the improvements to be initiated late summer of 2009, with completion possibly extending into the 2010 construction season. If either of the County Commissions decides not to create the RID for their County, then neither would be created.

## **List of Attached Exhibits**

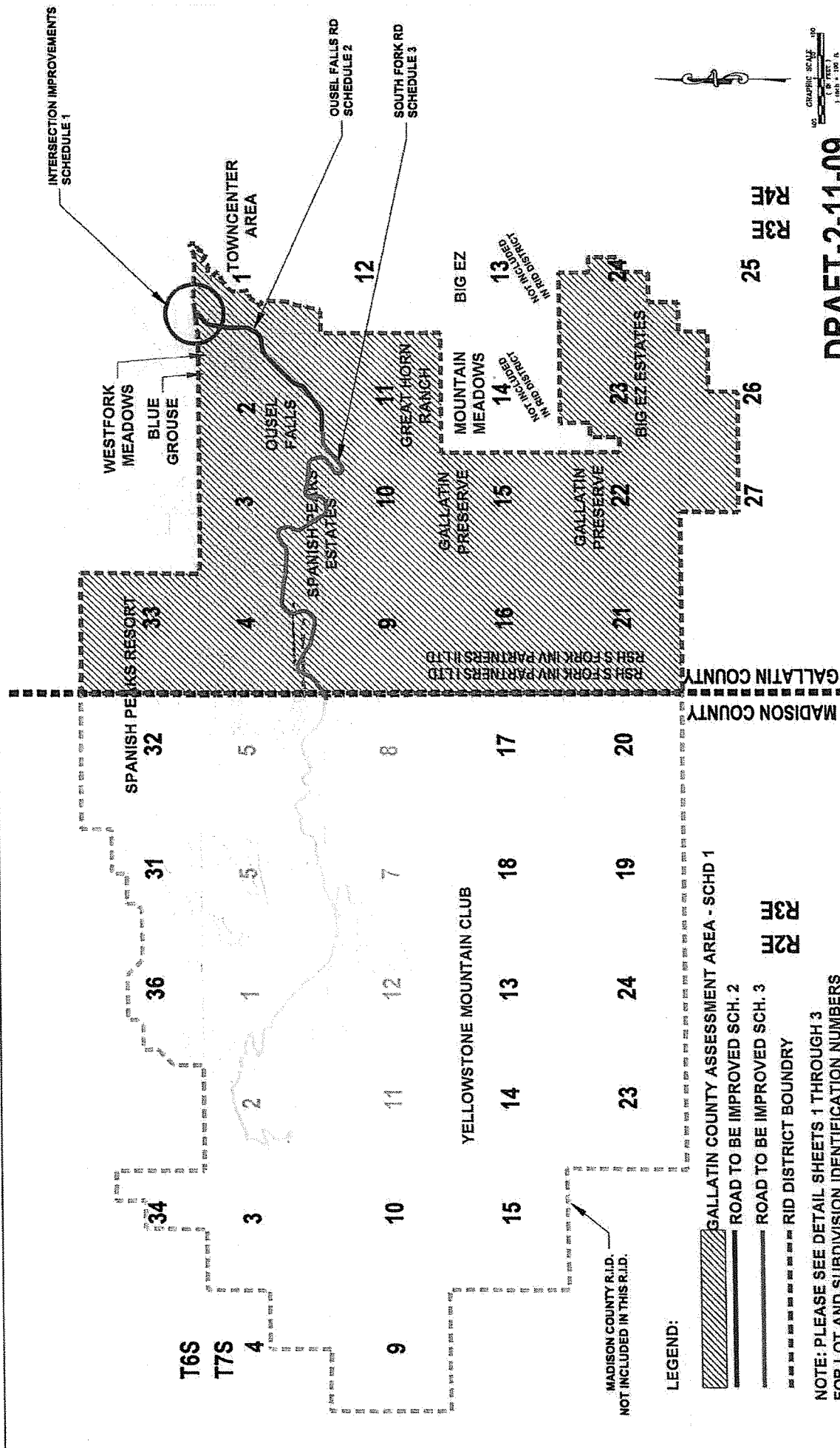
EXHIBIT A -	Project Schedule
EXHIBIT B -	Drawing Number 1 – Gallatin County RID Boundary
EXHIBIT C -	Assessment Spreadsheet
Drawing Number	1-1, 1-2, 1-3 - Assessment Areas
Drawing Number	1-4 – Parcel Assessment Map
Drawing Number	1 of 3, 2 of 3 & 3 of 3 - Detail Sheets

# Ousel Falls and South Fork Roads & Intersection RID

## PROPOSED RID PROJECT SCHEDULE

<u>DATE</u>	<u>TASK</u>
<b><u>RID CREATION PROCESS</u></b>	
5/15/08 – 12/31/08	Review site and prepare Preliminary Cost Estimates (Preliminary Design Concept, Construction & Maintenance Costs Estimate and RID creation costs. Conduct thorough property Ownership and Land use research, prepare Preliminary RID Creation Docs (Boundary Map, preliminary Ownership Records & individual land use density, legal issues, individual Property Assessment Spreadsheet, evaluate diversity of Ownership, etc.). Secure MDT intersection concept Design Concurrence.
1/1/09 – 2/15/09	Prepare RID Costs, Property Assessment Spreadsheet and Information Packet for Gallatin & Madison County Commissions.
2/16/09 – 3/11/09	Meet informally with Gallatin and Madison County Commissions and present findings.
3/11/09 – 3/18/09	Host RID Community Meeting. - Date to be determined
3/18/09	Prepare Resolutions of Intent and Creation, and Findings for Revolving Fund - finalize costs and bond amount, boundary exhibits, conduct detailed and final Ownership review, and coordinates review of Gallatin and Madison County Attorneys, Finance Offices, Recorder, & Bond Counsel.
3/24/09	County Commissions consider Resolutions of Intent to Create RID
3/27/09	Publish Notice of Intent in Gallatin and Madison Counties & Mail Notice to all Property Owners of Record.
3/27/09 – 4/27/09	30 day protest Period
5/5/09	<b>Hold Public Hearing, Review Protests and Decision &amp; Resolution to Create RID.</b>
5/7/09	<b><i>RID Creation Completed</i></b>
<b><i>** If RIDs are created proceed with project design, construction &amp; Bond Sales</i></b>	
<b><u>DESIGN, BOND SALE &amp; CONSTRUCTION</u></b>	
5/7/09	Execute Engineering Contract & Conduct Site Survey
3/27/09 – 5/8/09	Prepare Road Improvements design & bid package – <u>MMI</u>
5/8/09 -5/22/09	MDT & County Bid Package review and authorize Advertisement For Bids. – <u>MDT, County (Finance/Road/Attorney)</u>
5/30/09 & 6/6/09	Advertise for Bids. – <u>MMI &amp; Counties</u>
6/12/09 & 6/16/09	Bids Due Date & Bid Opening. – <u>MMI &amp; Counties</u>
6/23/09	Award Bids Contingent upon Bond Sale. – <u>Counties</u>
6/23/09 – 6/26/09	Prepare Bond Sale Documents. – <u>Bond Counsel &amp; Counties</u>
6/30/09	Resolution to Advertise Bonds - Bond Counsel & Counties
7/3/09 – 7/10/09	Advertise Bond Sale. – <u>Bond Counsel &amp; Counties</u>
6/24/09 – 7/17/09	Construction Contracts Reviewed & Approved for signing. – <u>County Attorneys</u>
7/21/09	Open & Award Bonds, Sign Construction Contract, Issue Notice to Proceed and <b>Start Construction</b> – <u>MMI &amp; Counties</u>
8/15/09	Close Bonds. – <u>Bond Counsel &amp; Counties</u>
7/27/09 – 10/15/10	<b>Construct Project Improvements</b>





**DRAFT-2-11-09**

PROJECT NUMBER SHEET NUMBER DRAWING NUMBER		PROJECT NAME OUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS GALLATIN COUNTY RID	PROJECT LOCATION MT
DRAWN BY: JLS CHECKED BY: CR DATE: 1/11/09 BY: JLS DATE: 1/11/09		BIG SKY	
3100 Technology Blvd. W. Bozeman, MT 59719 Phone: (406) 542-2721 Fax: (406) 542-0752 CONTRACT: MORRISON MAIERLE INC.		MORRISON MAIERLE INC. A Professional Land Surveying Firm	
NO. DESCRIPTION DATE BY		SCHEDULE 1 ASSESSMENT AREA	

INTERSECTION IMPROVEMENTS  
 SCHEDULE 1

WESTFORK MEADOWS  
 BLUE GROUSE

SPANISH PEAKS RESORT  
 32  
 33

T6S  
 T7S  
 4

9  
 10  
 11  
 12  
 13  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25  
 26  
 27

YELLOWSTONE MOUNTAIN CLUB

MADISON COUNTY R.I.D.  
 NOT INCLUDED IN THIS R.I.D.

LEGEND:  
 GALLATIN COUNTY ASSESSMENT AREA - SCHD 1  
 ROAD TO BE IMPROVED SCH. 2  
 ROAD TO BE IMPROVED SCH. 3  
 RID DISTRICT BOUNDARY

NOTE: PLEASE SEE DETAIL SHEETS 1 THROUGH 3  
 FOR LOT AND SUBDIVISION IDENTIFICATION NUMBERS

OUSEL FALLS RD  
 SCHEDULE 2

SOUTH FORK RD  
 SCHEDULE 3

TOWNCENTER AREA

BIG EZ  
 NOT INCLUDED IN RID DISTRICT

GREAT HORN RANCH

MOUNTAIN MEADOWS

GALLATIN PRESERVE

GALLATIN PRESERVE

BIG EZ ESTATES

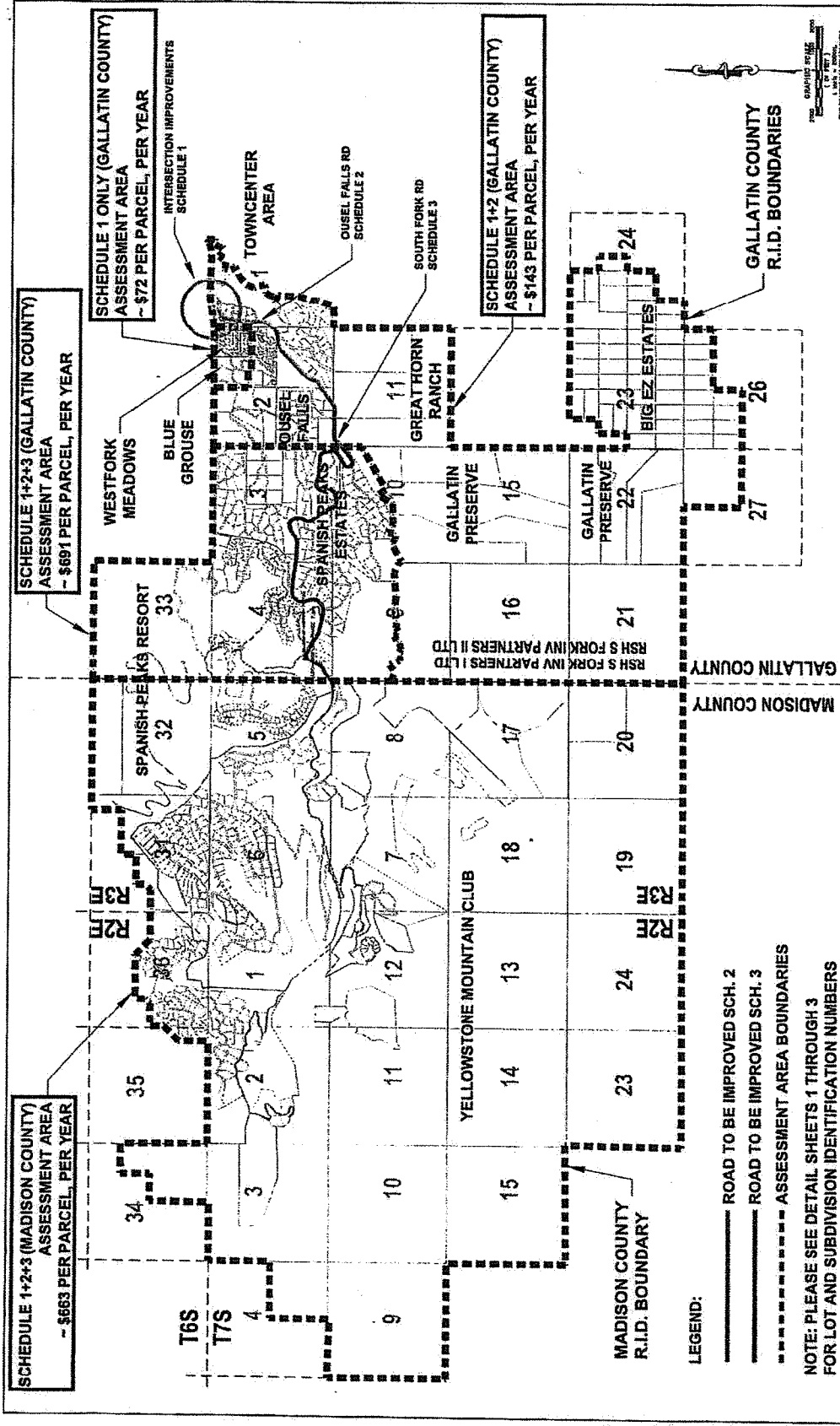
R4F  
 R3F

GRAPHIC SCALE  
 0 100  
 1" = 100'









PROJECT NUMBER SHEET NUMBER DRAWING NUMBER		PROJECT NAME CUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS GALLATIN COUNTY RD	
DATE 11/15/2011		BIG SKY	
PROJECT NUMBER SHEET NUMBER DRAWING NUMBER		PROJECT NAME CUSEL FALLS & SOUTH FORK ROAD & INTERSECTION IMPROVEMENTS GALLATIN COUNTY RD	
DATE 11/15/2011		BIG SKY	
MORRISON MAERLE, INC. 1000 Technology Blvd. N. Bozeman, MT 59717 Phone: (406) 997-2771 Fax: (406) 997-4552 E-mail: info@morrisonmaerle.com			
SHEET NUMBER 1-4		PARCEL ASSESSMENT MAP	

**EXHIBIT C**

**GALLATIN COUNTY  
RURAL IMPROVEMENT DISTRICT**

**OPINION OF ESTIMATED QUANTITIES  
AND CONSTRUCTION COST (for BOND SIZING PURPOSES)**

**Big Sky Ousel Falls & South Fork Road and Intersection Improvements**

Prepared by Morrison-Maierle, Inc.

Updated February 20, 2009

- Improvements included in RID:
  - Intersection improvements of Highway 64 and Ousel Falls Road (Schedule 1)
  - Road improvements on Ousel Falls & South Fork Roads from the intersection of Highway 64 to the Yellowstone Club Gate House (Schedule 2 & 3)
- District Boundary Includes:
  - Estimates below are based on 1,088 assessed parcels
- Projected Costs:

	Schedule 1	Schedule 2	Schedule 3	Total Schds 1 & 2	Total Schds 1, 2 & 3
Construction costs:	\$485,714	\$223,669	\$698,697	\$709,384	\$1,408,081
15% contingencies:	<u>\$72,857</u>	<u>\$33,550</u>	<u>\$104,805</u>	<u>\$106,408</u>	<u>\$211,212</u>
<b>CONSTRUCTION:</b>	<b>\$558,571</b>	<b>\$257,220</b>	<b>\$803,502</b>	<b>\$815,791</b>	<b>\$1,619,293</b>
15% Engineering Design & Inspection:	<u>\$83,786</u>	<u>\$38,583</u>	<u>\$120,525</u>	<u>\$122,369</u>	<u>\$242,894</u>
<b>CONSTRUCTION SUBTOTAL:</b>	<b>\$642,357</b>	<b>\$295,803</b>	<b>\$924,027</b>	<b>\$938,160</b>	<b>\$1,862,187</b>
Preliminary Engineering for RID Creation:	\$9,146	\$4,212	\$13,157	\$13,358	\$26,515
RID fees (bond counsel, advertising, etc.):	\$7,862	\$3,586	\$9,979	\$11,449	\$21,428
County Administrative Fee:	\$39,800	\$18,440	\$57,080	\$58,240	\$115,320
County Legal Fee:	\$2,760	\$1,271	\$3,970	\$4,030	\$8,000
+ 2% bond reserve:	\$16,500	\$7,600	\$23,700	\$24,100	\$47,800
5% Revolving Fund Fee:	<u>\$41,250</u>	<u>\$19,000</u>	<u>\$59,250</u>	<u>\$60,250</u>	<u>\$119,500</u>
Capitalized Bond Interest	\$45,375	\$20,900	\$65,175	\$66,275	\$131,450
DA Davidson Admin. Assist.	\$3,449	\$1,588	\$4,962	\$5,038	\$10,000
2% Bond Discount	<u>\$16,500</u>	<u>\$7,600</u>	<u>\$23,700</u>	<u>\$24,100</u>	<u>\$47,800</u>
<b>RID FEES SUBTOTAL:</b>	<b>\$182,643</b>	<b>\$84,197</b>	<b>\$260,973</b>	<b>\$266,840</b>	<b>\$527,813</b>
<b>PROJECT TOTAL:</b>	<b>\$825,000</b>	<b>\$380,000</b>	<b>\$1,185,000</b>	<b>\$1,205,000</b>	<b>\$2,390,000</b>
<b>BOND AMOUNT:</b>	<b>\$825,000</b>	<b>\$380,000</b>	<b>\$1,185,000</b>	<b>\$1,205,000</b>	<b>\$2,390,000</b>

	Schedule 1	Schedule 2	Schedule 3	Total Schds 1 & 2	Total Schds 1, 2 & 3
Approximate Total Assessed Parcels	1,088	847	241		
<b>Total Amount Assessed</b>	<b>\$758.27</b>	<b>\$448.64</b>	<b>\$4,917.01</b>	<b>\$1,206.91</b>	<b>\$6,123.93</b>
<b>Annual Assessment @ 7% for 20 Years</b>	<b>\$71.57</b>	<b>\$42.35</b>	<b>\$464.12</b>	<b>\$113.92</b>	<b>\$578.04</b>
<b>Annual Maintenance Assessment</b>	<b><u>\$0.00</u></b>	<b><u>\$29.00</u></b>	<b><u>\$84.00</u></b>	<b><u>\$29.00</u></b>	<b><u>\$113.00</u></b>
<b>Total Assessment for 20 Years</b>	<b>\$71.57</b>	<b>\$71.35</b>	<b>\$548.12</b>	<b>\$142.92</b>	<b>\$691.04</b>

**RID**  
**BIG SKY OUSEL FALLS ROAD (SCHEDULE 3)**  
**FEB 2009**

**Preliminary Estimate of Maintenance Assessment**

19120 L.F. OF ROADS	2009 AVERAGE COST/LOT	\$84.00 *
24 FEET WIDE	2030 AVERAGE COST/LOT	\$184.05
83300 SQUARE FEET IN DISTRICT	*ASSESSMENT BASED	EQUAL ASSESSMENTS ON ALL PLATTED LOTS & CONDOMINIUM UNITS
833 NUMBER OF ASSESSED AREAS	AVERAGE COST/LOT	\$84.00

ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL AMOUNT
<b>FOG SEAL</b>					
1	Seal Coat	5608.5	GAL	\$2.50	\$14,021.33
2	Patches	10	S.Y.	\$39.00	\$390.00
SUBTOTAL					\$14,411.33
ENGINEERING & CONTIN.					\$2,882.27
					\$17,293.60

<b>WEED CONTROL</b>					
1	Weed Spraying	5250	L.F.	\$0.03	\$157.50

<b>Snow Plowing &amp; Misc.</b>					
1	Plow, Sand and Misc				\$10,000.00
	20% Added (Weather Extremes)				\$2,000.00
2	Misc. Expenses				\$554.48
					\$12,554.48

<b>OVERLAY</b>					
1	1 1/2 INCH OF ASP	4669.104	TONS	\$85.00	\$396,873.84
2	ASPHALT TACK	5608.5	GAL	\$1.50	\$8,412.80
3	PATCHES	1000	S.Y.	\$45.00	\$45,000.00
SUBTOTAL					\$450,286.64
ENGINEERING & CONTIN.					\$90,057.33
					\$540,343.97

<b>COMMENTS</b>					
INTEREST ON CASH EARNINGS BASED ON			3% PER YEAR		
THE CONSTRUCTION COSTS ARE BASED ON			4% PER YEAR INFLATION		
2009 CASH ON HAND		\$0.00			
2008 ASSESSMENT		\$0.0000			

NOV. ASSESS.	ASSESSMENT/S.F.	AMOUNT BILLED	MARCH 31 CASH ON HAND	AVG. COST PER LOT	CONST. COSTS	ENGINEER FEES	MISC. & SNOW PLOWING	ADMIN. COSTS	BALANCE ON HAND	TYPE OF MAINTENANCE
2009			\$0.00						\$0.00	
2010	0.84	\$69,972.00	\$0.00	\$84.00	\$0.00	\$2,040.56	*	*	\$0.00	
2011	0.8736000	\$72,770.88	\$72,071.16	\$87.36	\$0.00	\$2,101.78	\$ 12,554.48	\$500.00	\$56,914.90	
2012	0.9085440	\$75,681.72	\$133,576.35	\$90.85	\$170.35	\$2,164.83	\$ 12,931.11	\$500.00	\$117,810.05	WEED SPRAY
2013	0.9448858	\$78,708.98	\$199,296.52	\$94.49	\$0.00	\$2,229.78	\$ 13,319.05	\$500.00	\$183,247.69	
2014	0.9826812	\$81,857.34	\$269,815.38	\$98.27	\$184.25	\$2,296.67	\$ 13,718.62	\$500.00	\$253,115.83	WEED SPRAY
2015	1.0219884	\$85,131.64	\$345,022.37	\$102.20	\$0.00	\$2,365.57	\$ 14,130.18	\$500.00	\$328,026.62	
2016	1.0628880	\$88,536.90	\$425,553.01	\$106.29	\$199.29	\$2,436.54	\$ 14,554.08	\$500.00	\$407,863.10	WEED SPRAY
2017	1.1053827	\$92,078.38	\$511,292.00	\$110.54	\$0.00	\$2,509.64	\$ 14,990.71	\$500.00	\$493,291.66	
2018	1.1495980	\$95,761.51	\$602,931.14	\$114.96	\$215.55	\$2,584.92	\$ 15,440.43	\$500.00	\$584,190.24	WEED SPRAY
2019	1.1955819	\$99,591.97	\$700,350.30	\$119.56	\$0.00	\$2,662.47	\$ 15,903.64	\$500.00	\$681,284.19	
2020	1.2434052	\$103,575.65	\$804,302.45	\$124.34	\$233.14	\$2,742.35	\$ 16,380.75	\$500.00	\$784,446.21	WEED SPRAY
2021	1.2931414	\$107,718.68	\$914,662.52	\$129.31	\$831,834.71	\$2,824.62	\$ 16,872.17	\$500.00	\$62,631.02	OVERLAY
2022	1.3448671	\$112,027.43	\$175,460.19	\$134.49	\$252.16	\$2,909.36	\$ 17,378.34	\$500.00	\$154,420.34	WEED SPRAY
2023	1.3986617	\$116,508.52	\$274,441.20	\$139.87	\$0.00	\$2,996.64	\$ 17,899.69	\$500.00	\$253,044.87	
2024	1.4546082	\$121,168.86	\$380,640.00	\$145.46	\$272.74	\$3,086.54	\$ 18,436.68	\$500.00	\$358,344.05	WEED SPRAY
2025	1.5127925	\$126,015.62	\$493,898.30	\$151.28	\$0.00	\$3,179.13	\$ 18,989.78	\$500.00	\$471,229.39	
2026	1.5733042	\$131,056.24	\$615,162.36	\$157.33	\$294.99	\$3,274.51	\$ 19,559.47	\$500.00	\$591,533.39	WEED SPRAY
2027	1.6362364	\$136,298.49	\$744,267.32	\$163.62	\$0.00	\$3,372.74	\$ 20,146.25	\$500.00	\$720,248.32	
2028	1.7016859	\$141,750.43	\$882,243.22	\$170.17	\$319.07	\$3,473.92	\$ 20,750.64	\$500.00	\$857,199.59	WEED SPRAY
2029	1.7697533	\$147,420.45	\$1,028,918.52	\$176.98	\$0.00	\$3,578.14	\$ 21,373.16	\$500.00	\$1,003,467.22	
2030	1.8405434	\$153,317.27	\$1,185,414.30	\$184.05	\$345.10	\$3,685.48	\$ 22,014.36	\$500.00	\$1,158,869.36	WEED SPRAY

A 3% INCREASE PER YEAR FOR SNOWPLOWING

\* AMOUNT PAID BEFORE JUNE 12009

(A 3% INCREASE PER YEAR FOR INFLATION IS INCLUDED FOR ENGINEERING & ADMINISTRATION)

**CHANGES**

Date of Original Improvements: 2009

BIG SKY OUSEL FALLS ROAD (SCHEDULE 2)				Preliminary Estimate of Maintenance Assessment						
FEB 2009										
8150 L.F. OF ROADS				2009 AVERAGE COST/LOT		\$29.00 *				
24 FEET WIDE				2030 AVERAGE COST/LOT		\$63.54				
143900 SQUARE FEET IN DISTRICT				*ASSESSMENT BASED EQUAL ASSESSMENTS ON ALL PLATTED LOTS & CONDOMINIUM UNITS						
1439 NUMBER OF ASSESSED AREAS				AVERAGE COST/LOT		\$29.00				
ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	TOTAL AMOUNT					
FOG SEAL										
1	Seal Coat	2390.7	GAL	\$2.50	\$5,976.67					
2	Patches	10	S.Y.	\$39.00	\$390.00					
					SUBTOTAL					
					ENGINEERING & CONTIN.					
					\$6,366.67					
					\$1,273.33					
					\$7,640.00					
WEED CONTROL										
1	Weed Spraying	5250	L.F.	\$0.03	\$157.50					
Snow Plowing & Misc.										
1	Plow, Sand and Misc				\$10,000.00					
	20% Added (Weather Extremes)				\$2,000.00					
2	Misc. Expenses				\$236.35					
					\$12,236.35					
OVERLAY										
1	1 1/2 INCH OF ASP	1990.23	TONS	\$85.00	\$169,169.55					
2	ASPHALT TACK	2390.7	GAL	\$1.50	\$3,586.00					
3	PATCHES	1000	S.Y.	\$39.00	\$39,000.00					
					SUBTOTAL					
					ENGINEERING & CONTIN.					
					\$211,755.55					
					\$42,351.11					
					\$254,106.66					
COMMENTS										
INTEREST ON CASH EARNINGS BASED ON				3% PER YEAR						
THE CONSTRUCTION COSTS ARE BASED ON				4% PER YEAR INFLATION						
2009 CASH ON HAND		\$0.00								
2008 ASSESSMENT		\$0.0000								
NOV. ASSESS.	ASSESSMENT/S.F.	AMOUNT BILLED	MARCH 31 CASH ON HAND	AVG. COST PER LOT	CONST. COSTS	ENGINEER FEES	MISC. & SNOW PLOWING	ADMIN. COSTS	BALANCE ON HAND	TYPE OF MAINTENANCE
2009			\$0.00						\$0.00	
2010	0.29	\$41,731.00	\$0.00	\$29.00	\$0.00	\$2,863.81	*	*	\$0.00	
2011	0.3016000	\$43,400.24	\$42,982.93	\$30.16	\$0.00	\$2,949.73	\$ 12,236.35	\$500.00	\$27,296.85	
2012	0.3136640	\$45,136.25	\$72,818.00	\$31.37	\$170.35	\$3,038.22	\$ 12,603.44	\$500.00	\$56,505.99	WEED SPRAY
2013	0.3262106	\$46,941.70	\$104,691.51	\$32.62	\$0.00	\$3,129.37	\$ 12,981.54	\$500.00	\$88,080.60	
2014	0.3392590	\$48,819.37	\$139,072.97	\$33.93	\$184.25	\$3,223.25	\$ 13,370.99	\$500.00	\$121,794.47	WEED SPRAY
2015	0.3528293	\$50,772.14	\$175,732.26	\$35.28	\$0.00	\$3,319.95	\$ 13,772.12	\$500.00	\$158,140.19	
2016	0.3669425	\$52,803.03	\$215,179.70	\$36.69	\$199.29	\$3,419.54	\$ 14,185.28	\$500.00	\$196,875.59	WEED SPRAY
2017	0.3816202	\$54,915.15	\$257,168.98	\$38.16	\$0.00	\$3,522.13	\$ 14,610.84	\$500.00	\$238,536.00	
2018	0.3968850	\$57,111.76	\$302,254.69	\$39.69	\$215.55	\$3,627.79	\$ 15,049.17	\$500.00	\$282,862.18	WEED SPRAY
2019	0.4127604	\$59,396.23	\$350,173.15	\$41.28	\$0.00	\$3,736.63	\$ 15,500.64	\$500.00	\$330,435.88	
2020	0.4292708	\$61,772.07	\$401,527.07	\$42.93	\$233.14	\$3,848.73	\$ 15,965.66	\$500.00	\$380,979.54	WEED SPRAY
2021	0.4464417	\$64,242.96	\$456,034.16	\$44.64	\$391,185.53	\$3,964.19	\$ 16,444.63	\$500.00	\$43,939.82	OVERLAY
2022	0.4642993	\$66,812.68	\$111,428.26	\$46.43	\$252.16	\$4,083.11	\$ 16,937.97	\$500.00	\$89,655.01	WEED SPRAY
2023	0.4828713	\$69,485.18	\$161,161.71	\$48.29	\$0.00	\$4,205.61	\$ 17,446.11	\$500.00	\$139,010.00	
2024	0.5021862	\$72,264.59	\$214,750.04	\$50.22	\$272.74	\$4,331.78	\$ 17,969.49	\$500.00	\$191,676.03	WEED SPRAY
2025	0.5222736	\$75,155.17	\$271,858.84	\$52.23	\$0.00	\$4,461.73	\$ 18,508.58	\$500.00	\$248,388.53	
2026	0.5431646	\$78,161.38	\$333,250.01	\$54.32	\$294.99	\$4,595.58	\$ 19,063.83	\$500.00	\$308,795.60	WEED SPRAY
2027	0.5648911	\$81,287.84	\$398,565.69	\$56.49	\$0.00	\$4,733.45	\$ 19,635.75	\$500.00	\$373,696.50	
2028	0.5874868	\$84,539.35	\$468,633.86	\$58.75	\$319.07	\$4,875.45	\$ 20,224.82	\$500.00	\$442,714.52	WEED SPRAY
2029	0.6109863	\$87,920.92	\$543,071.49	\$61.10	\$0.00	\$5,021.72	\$ 20,831.57	\$500.00	\$516,718.20	
2030	0.6354257	\$91,437.76	\$622,778.30	\$63.54	\$345.10	\$5,172.37	\$ 21,456.51	\$500.00	\$595,304.32	WEED SPRAY

A 3% INCREASE PER YEAR FOR SNOWPLOWING

(A 3% INCREASE PER YEAR FOR INFLATION IS INCLUDED FOR ENGINEERING & ADMINISTRATION)

\* AMOUNT PAID BEFORE JUNE 1, 2009